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DIRECTORATE OF  
INTELLIGENCE

# *Central Intelligence Bulletin*

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50

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25X1

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SECRET

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## CONTENTS

SOUTH VIETNAM: The Supreme Court's action on Tran Ngoc Chau will embarrass Thieu. (Page 1)



25X1

JORDAN: Serious incidents between the government and the fedayeen may take place soon. (Page 3)

CZECHOSLOVAKIA: Husak is moving against his hard-line critics. (Page 5)

CHILE: Marxists dominate Allende's cabinet. (Page 6)

PERU: The Velasco government has declared that four US-held mining concessions have reverted to the state. (Page 8)

SOUTH AFRICA: The opposition United Party made some gains in the provincial elections. (Page 9)

YUGOSLAVIA: Price freeze (Page 10)

CONGO (KINSHASA): Elections (Page 10)

BOLIVIA: Guerrilla campaign (Page 11)

BAHAMAS: Prime minister in trouble (Page 11)

SECRET

SOUTH VIETNAM: The Supreme Court's action in voiding the conviction of imprisoned Lower House Deputy Tran Ngoc Chau will be a source of considerable embarrassment to President Thieu.

Under normal legal procedures, Chau should be released within two weeks, but the government has been looking for another way to keep him in jail. Reflecting this attitude, a presidential aide claimed that the deputy would never be set free as long as Thieu was in office. The court, however, has ruled that Chau cannot be retried unless his immunity is lifted by a two-thirds vote in the Lower House. The government thus far does not seem to have hit upon any other way to hold Chau despite the urgency placed on this matter by Thieu.

Chau's arrest and trial before a military court last March for having contacts with Communists raised a storm of criticism both in South Vietnam and overseas. Because Thieu was the motivating force behind Chau's conviction, the court's decision is another clear assertion of its independence from the executive.

25X1

25X1

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JORDAN: Serious incidents between the government and the fedayeen may take place soon.

The "transition period" provided by the government-fedayeen protocol signed last week expires on 9 November, at which point all the more restrictive provisions of the agreements stemming from the crisis are to go into effect.

25X1

25X1

major renewal of fighting between the two sides is unlikely, at least for the time being. The larger, more moderate groups--Fatah and the Palestine Liberation Organization--appear to be willing to carry out their end of the agreement and to do their best to keep clashes from escalating. Although the two organizations have only limited control over the activities of the radical groups, a full-scale confrontation is probably impossible without Fatah's active participation.

King Husayn's appointment of the hawkish Wasfi Tal as prime minister has served notice to the fedayeen that he intends to enforce the agreements strictly. Tal went out of his way in his first statements to make conciliatory gestures toward both the fedayeen and the Egyptians, however, and fedayeen reaction has been mixed.

25X1

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SECRET

25X1

25X1

Although Husayn has in the past shown himself to be vulnerable to Arab opinion, he now seems to be in no mood to make concessions to the fedayeen.

25X1

25X1

31 Oct 70

Central Intelligence Bulletin

4

SECRET

SECRET

Approved For Release 2003/05/29 : CIA-RDP79T00975A017500010001-6

CZECHOSLOVAKIA: Party boss Gustav Husak is moving forcefully against his hard-line critics in advance of November's central committee plenum.

A Western press report from Prague has revealed an alleged plot by Husak's ultraconservative critics to "make a bid for power." Other than former Czech provincial interior minister Josef Groesser, and General Otakar Rytir, the liaison officer to the Soviet forces in Czechoslovakia--who were both dismissed last week--no names have been revealed.

The press report indicates, however, that none of the alleged conspirators was from among the party presidium, although "several" officials in relatively high government and legislative posts are reported to be due for dismissal. Although not necessarily connected with the alleged plot, the dismissals of Czech provincial Justice Minister Jan Nemec and Minister of Education Jaromir Hrbek have been rumored for several weeks. The first vice president of the Czechoslovak Federal Assembly, who is an outspoken critic of Husak's normalization policies, could also be in danger.

The Czechoslovak party press also has stepped up attacks on the hard-liners in recent days, a development that together with the dismissal of officials and cancellation of the political trial of the liberal "Pachman group" indicates that Husak now feels confident that he can move further against his opponents. He would not do so, however, unless he felt assured of support from Moscow. [REDACTED]

25X1

31 Oct 70

Central Intelligence Bulletin

5

SECRET

Approved For Release 2003/05/29 : CIA-RDP79T00975A017500010001-6



SECRET

**[ CHILE:** The cabinet announced by Salvador Allende yesterday is dominated by committed Marxists in most of the key ministries.

The selection, delayed by a bitter power struggle within the six-member Popular Unity (UP) coalition, favors the president-elect's own extremist Socialist Party. Allende's closest confidant, Jose Toha, will be minister of interior, the post first in succession to the presidency. Toha will also control all police forces as well as the chief executives of Chile's 25 provinces. The Socialists not only held out for this top choice, but also received three other cabinet posts. The Foreign Ministry went to Clodomiro Almeyda, whose long dedication to Marxist theory and practice has led him to close relations with both Havana and Peking. Experienced Socialists were also named as minister of housing and secretary general of the government.

The Communist Party, chief architect and organizational core of the UP, named long-time stalwarts in the ministries of finance, public works, and labor. Pedro Vuskovic, appointed minister of economy and development, was termed a "leftist independent,"

25X1

Vuskovic has been Allende's chief economic planner in three of the latter's four presidential campaigns.

25X1

Only two of the remaining seven ministers are influential or even well known. The Radical Party received three posts--defense, education, and mining. The choices for the first two apparently appear to be non-Marxist window dressing which will be bypassed in exercising control in these two areas of importance to Allende. New Minister of Mines Orlando Cantuarias, however, is a leftist Radical leader close to Allende who will have a key role in the promised takeover of Chile's vast copper industry.

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31 Oct 70

Central Intelligence Bulletin

6

SECRET

SECRET

【 The three smaller non-Marxist UP members had to share the other four posts. Most important is Minister of Agriculture Jaques Chonchol, a leftist Christian Democrat who broke with that party last year after playing a major role in President Frei's controversial agrarian reform program. Chonchol had earlier served for several years as a UN agricultural adviser to Fidel Castro. According to the US Embassy, President Frei reportedly reacted to the undisguised Socialist-Communist control of the cabinet by stating that "Chile is dead." [REDACTED]

25X1

25X1

31 Oct 70

Central Intelligence Bulletin

7

SECRET

SECRET

PERU: The Velasco government declared yesterday that four US-held mining concessions have lapsed and will revert to the state.

The Ministry of Mines issued a directive stating that the four medium-sized copper concessions, held by the US-owned Cerro de Pasco Corporation, do not have proven ore bodies and therefore do not qualify for development under the mining law issued last August. Cerro de Pasco had submitted development schedules for the concessions on 30 September in compliance with the law, and company officials since had been negotiating a development contract in which the government and a Japanese company were to have shared.

Company officials had believed that the negotiations were progressing well and that the government's demand for substantial participation in the venture had been met by the company's latest proposals. The excuse given for the government takeover is rather thin; at least one of the concessions has proven high grade ore.

It is not clear what the Velasco government plans to do with the concessions, but a state mining corporation recently was established to increase Peruvian participation in the exploitation of mineral deposits. The government has also been talking with the Japanese and East Europeans on the development of Peru's mining industry, now dominated by US mining companies.

25X1

SECRET

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SOUTH AFRICA: The opposition United Party made some gains in the provincial elections held last Wednesday, although the ruling National Party retained control of three of the four provincial councils.

Many observers, particularly within the United Party, have portrayed these elections as a test of whether the party would be able to sustain the momentum it gained after winning nine seats from the Nationalists in last April's general election. United Party press supporters are likely, therefore, to play up the results as further evidence of a voter shift from the extreme right toward moderation.

The outcome, however, seems to reflect a continuing dissatisfaction with the Nationalist government among its traditional supporters rather than a significant increase in United Party popularity. Many National Party supporters apparently abstained, thus helping the United Party to pick up a few seats in three of the provincial elections and to reduce the winning margin of many Nationalist candidates. Whether Prime Minister Vorster will interpret the results as a sign that he must provide more vigorous leadership in order to recapture the support of ordinary National Party adherents remains to be seen.

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31 Oct 70

Central Intelligence Bulletin

9

SECRET

Approved For Release 2003/05/29 : CIA-RDP79T00975A017500010001-6

SECRET

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YUGOSLAVIA: The government has announced a "temporary" price freeze on most products and communal services as a major first step in an economic stabilization program designed to halt inflation and improve the balance of payments. Prices of manufactured goods, most foodstuffs, public utilities' services, and rents will remain frozen until Belgrade decides that other measures have strengthened the economy so that price controls can be removed without harmful effects. The government also will require enterprises to pay a deposit in advance of importing goods to slow down rapidly increasing imports. Other restrictive measures announced at the current party conference include tighter controls on consumer credit. [REDACTED]

25X1

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CONGO (KINSHASA): The Congolese go to the polls this weekend for the first time since President Mobutu seized power in 1965. They will cast their votes today and tomorrow for president and on 14-15 November for candidates to the National Assembly. Mobutu is the sole candidate for president and the assembly candidates are also unopposed. Mobutu's personal political party, the Popular Revolutionary Movement, has made an intensive effort to whip up public enthusiasm for the elections, but it apparently has failed to generate much grass-roots interest. Voting is mandatory for all persons over 18, however, and a substantial voter turnout will create the impression that the regime enjoys nationwide support. [REDACTED]

25X1

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31 Oct 70

Central Intelligence Bulletin

10

SECRET

Approved For Release 2003/05/29 : CIA-RDP79T00975A017500010001-6

SECRET

BOLIVIA: The pro-Chinese Communist Party (PCB/C) has opened its guerrilla campaign. Party members recently seized a large plantation in the eastern part of the country and turned it over to peasant groups. Two hostages were released after a government commission and the plantation's owner agreed that the property would be turned into a cooperative. Local business interests, however, have threatened to use force if the land is not returned to its owner by 1 November. The PCB/C action was designed to gain the sympathy of the peasants and to establish a base of support for the party's guerrilla activities, which apparently will be independent of those sponsored by the pro-Castro National Liberation Army. [REDACTED]

25X1

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BAHAMAS: Opposition forces will probably oust Prime Minister Pindling through a vote of no confidence next week. Recent cabinet resignations, in particular that of Education Minister Wallace-Whitfield, have seriously weakened Pindling's position within his own party. Wallace-Whitfield's supporters believe they have sufficient strength to carry the vote of no confidence in the 38-man House of Assembly, and, though reluctant to engage in an electoral campaign at this time, believe Pindling has left them no alternative. Under the Bahamian constitution new general elections must be held within 90 days after the legislature is dissolved. Pindling may, however, decide to call general elections himself and carry his case to the people, with whom he is still popular. [REDACTED]

25X1

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